

EXHIBIT 1

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ROANOKE DIVISION

UNITED STATES OF AMERICA,)
)
Plaintiff,) Case No.
)
V.)
)
SOUTHERN COAL CORPORATION;)
A & G COAL CORPORATION;)
ALABAMA CARBON LLC; JUSTICE)
COAL OF ALABAMA LLC; BLACK)
RIVER COAL LLC; CHESTNUT)
LAND HOLDINGS LLC; DOUBLE)
BONUS COAL COMPANY;)
DYNAMIC ENERGY INC.; FOUR)
STAR RESOURCES LLC; FRONTIER)
COAL COMPANY, INC.; INFINITY)
ENERGY INC.; JUSTICE ENERGY)
COMPANY, INC.; KENTUCKY FUEL)
CORP., KEYSTONE SERVICES)
INDUSTRIES INC.; M&P SERVICES,)
INC.; NINE MILE MINING)
COMPANY, INC.; NUFAC MINING)
COMPANY, INC.; PAY CAR MINING)
INC.; PREMIUM COAL COMPANY,)
INC.; S&H MINING, INC.; SEQUOIA)
ENERGY; TAMS MANAGEMENT,)
INC.; VIRGINIA FUEL CORP.,)
)
Defendants.)

DECLARATION

I, Anita M. Triantafilledes, pursuant to 28 U.S.C. § 1746, hereby declare as follows:

1. I am the Manager of the Litigation Policy & Management Branch in the Department of the Treasury, Bureau of the Fiscal Service, Debt Management Services (DMS), Washington, D.C. The information described herein is based on my training, experience,

and review of the records for Defendants A&G Coal Corporation, Alabama Carbon LLC, Justice Coal of Alabama LLC, Black River Coal LLC, Chestnut Land Holdings LLC, Double Bonus Coal Company, Dynamic Energy Inc., Four Star Resources LLC, Frontier Coal Company, Inc., Infinity Energy Inc., Justice Energy Company, Inc., Kentucky Fuel Corp., Keystone Services Industries Inc., M&P Services, Inc., Nine Mile Mining Company, Inc., Nufac Mining Company, Inc. Pay Car Mining, Inc., Premium Coal Company, Inc., S&H Mining, Inc., Sequoia Energy, Tams Management, Inc., and Virginia Fuel Corp. (collectively, “Defendants”).

2. Federal agencies refer delinquent nontax debts to DMS for collection. At the time of referral, and at each agency update, agencies are required to certify to DMS that the debts they refer are delinquent, valid, legally enforceable in the amount stated, and that any required due process has been given.
3. After a debt is referred to DMS by a creditor agency, such as the Department of Labor, Mine Safety and Health Administration (“MSHA”), DMS uses a number of collection tools, to attempt to collect the debt. These tools may include: demand letter(s); phone contact and/or correspondence with the debtor; referral to the Treasury Offset Program (TOP) to reduce any eligible federal or state payments that the debtor may receive; referral to private collection agencies (PCAs), which are under contract with DMS; and referral to the Department of Justice for enforced collection through litigation.
4. DMS charges creditor agencies fees to cover the cost of collection. DMS is authorized to charge these fees pursuant to 31 U.S.C. § 3711(g)(6); *see also* 31 C.F.R. § 285.12(j); 31 C.F.R. § 901.1(f). DMS fees are 30% for any debts that are less than two years delinquent, based on the default date provided by the creditor agency, and 32% for debts

that are over two years delinquent. The fee is computed as 30% or 32% of the principal, plus interest, penalty, and administrative costs of the referred debt.¹

5. In addition, the Department of Justice has authority to charge a 3% fee pursuant to 28 U.S.C. § 527 legislative note.
6. Creditor agencies, such as MSHA, are generally required to pass on all debt collection costs to the debtor. 31 U.S.C. § 3717(e)(1); *see also* 31 C.F.R. § 901.9(c), (f). Costs to the creditor agency include fees charged to the creditor agency. *See id.*
7. The amount owed by Defendants as of May 3, 2019, is \$3,214,623.00.
8. The amount owed is comprised of:

Principal: \$2,393,236.97

Fiscal Service and DOJ fees: \$821,386.03

TOTAL: \$3,214,623.00

DATED this 6th day of May, 2019.

Anita M. Triantafilledes
Signature _____
 Digitally signed by Anita M.
Triantafilledes
Date: 2019.05.06 18:36:30 -04'00'

Anita M. Triantafilledes
Manager, Litigation Policy & Management Branch
Bureau of the Fiscal Service, Debt Management Service
Department of the Treasury

¹ When a collection on a federal nontax debt results from offset of payments through TOP, DMS charges the creditor agency the TOP fee of \$17.00 per offset, and does not charge the 30% or 32% fee.

² The 1994 Appropriation Act (PL. 103-121) authorized DOJ to retain up to 3% of all amounts collected as the result of its civil debt collection litigation activities. Because the DOJ fee is based on amounts collected, the DOJ Fee is calculated by adding principal, interest, administrative costs (including Fiscal Service's fee), penalties and then dividing by .97 and multiplying by .03.